

BEYONICS TECHNOLOGY LIMITED

Full Year Financial Statements And Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group Year Ended 31/07/2008 S\$'000	Group Year Ended 31/07/2007 S\$'000	Change %
Revenue	1,414,443	870,582	62.5
Cost of sales	(1,361,365)	(814,755)	67.1
Gross profit	53,078	55,827	(4.9)
Other Income	2,775	1,330	108.6
	55,853	57,157	(2.3)
General and administrative costs	(35,795)	(26,072)	37.3
Selling and marketing expenses	(790)	(1,332)	(40.7)
Profit from operating activities	19,268	29,753	(35.2)
Finance costs	(3,488)	(3,319)	5.1
Profit before taxation	15,780	26,434	(40.3)
Taxation	(1)	(814)	(99.9)
Profit after taxation	15,779	25,620	(38.4)
Profit attributable to:			
Equity holders of the Company	15,953	25,348	(37.1)
Minority interests	(174)	272	(164.0)
	15,779	25,620	(38.4)

Additional information for the income statement

	Group Year Ended 31/07/2008 S\$'000	Group Year Ended 31/07/2007 S\$'000
Depreciation	(33,790)	(28,472)
Interest on borrowings	(3,488)	(3,319)
Foreign exchange loss	(8,747)	(2,045)
Gain from sale of fixed assets and assets held for sale	287	2,549
Fixed assets written off	-	(402)
Revaluation surplus from investment properties	245	-
Cost of share-based payment	(308)	(449)
Interest income	879	825
Allowance for doubtful debts written back	34	723
Write back of (allowance)/Allowance for stock obsolescence	(82)	515

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group 31/07/2008 S\$'000	Group 31/07/2007 S\$'000	Company 31/07/2008 S\$'000	Company 31/07/2007 S\$'000
Non-Current Assets				
Fixed assets	257,660	237,285	-	-
Subsidiary companies	-	-	320,249	294,338
Investment securities	481	823	195	506
Investment properties	4,176	3,968	-	-
Intangible assets	19,217	19,217	-	-
	281,534	261,293	320,444	294,844
Current Assets				
Stocks	88,914	69,475	-	-
Trade debtors	277,127	99,240	-	-
Other debtors	13,402	11,827	231	126
Amounts due from subsidiary companies	-	-	43,756	23,651
Fixed deposits	1,529	324	32	35
Cash and bank balances	47,102	67,890	587	11,940
	428,074	248,756	44,606	35,752
Current Liabilities				
Trade creditors	277,495	84,798	-	-
Other creditors and accruals	23,671	25,033	837	1,530
Finance lease creditors	39	30	-	-
Provision for taxation	1,493	2,745	39	44
Bank borrowings	110,096	102,550	94,900	57,400
	412,794	215,156	95,776	58,974
Net Current Assets/(Liabilities)	15,280	33,600	(51,170)	(23,222)
Non-Current Liabilities				
Finance lease creditors	186	137	-	-
Deferred taxation	3,880	267	-	-
	4,066	404	-	-
Net Assets	292,748	294,489	269,274	271,622
Equity attributable to equity holders of the Company				
Share capital	254,022	252,482	254,022	252,482
Reserves	33,386	36,493	15,252	19,140
	287,408	288,975	269,274	271,622
Minority interests	5,340	5,514	-	-
Total Equity	292,748	294,489	269,274	271,622

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/07/2008		As at 31/07/2007	
Secured	Unsecured	Secured	Unsecured
S\$'000 39	S\$'000 110,096	S\$'000 30	S\$'000 102,550

Amount repayable after one year

As at 31/07/2008		As at 31/07/2007	
Secured	Unsecured	Secured	Unsecured
S\$'000 186	S\$'000 -	S\$'000 137	S\$'000 -

Details of any collateral

As at 31 July 2008, the Group's secured borrowings comprised outstanding finance lease balances.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group Year Ended 31/07/2008 S\$'000	Group Year Ended 31/07/2007 S\$'000
Cash flows from operating activities:-		
Profit before taxation and minority interests	15,780	26,434
Adjustments for:		
Depreciation of fixed assets	33,790	28,472
Cost of share-based payment	308	449
Gain from disposal of investment securities	-	(113)
Write off of investment securities	-	254
Revaluation surplus from investment properties	(245)	-
Gain from sale of fixed assets and assets held for sale	(287)	(2,549)
Fixed assets written off	-	402
Interest expenses	3,488	3,319
Interest income	(879)	(825)
Dividend income	(160)	(1)
Currency re-alignment	(5,369)	318
Operating profit before working capital changes	46,426	56,160
Increase in stocks	(19,439)	(1,918)
(Increase)/Decrease in trade debtors	(177,887)	9,796
(Increase)/Decrease in other debtors	(1,575)	9,007
Increase/(Decrease) in trade creditors	192,697	(31,112)
Decrease in other creditors and accruals	(1,362)	(7,985)
Cash generated from operations	38,860	33,948
Interest paid	(3,488)	(3,319)
Interest income	879	825
Tax paid	(1,397)	(2,067)
Net cash generated from operating activities	34,854	29,387
Cash flows from investing activities:-		
Proceeds from sale of fixed assets	315	3,958
Purchase of fixed assets	(53,037)	(53,008)
Proceeds from disposal of investment securities	-	397
Dividend income received	160	1
Net cash used in investing activities	(52,562)	(48,652)
Cash flows from financing activities:-		
Payment of dividends	(10,708)	(13,199)
Increase/(Payment) of finance lease obligations	58	(24)
Proceeds from the exercise of share options	1,229	1,310
Proceeds from bank borrowings	7,546	46,155
Net cash (used in)/generated from financing activities	(1,875)	34,242
Net (decrease)/ increase in cash and cash equivalents	(19,583)	14,977
Cash and cash equivalents at beginning of year	68,214	53,237
Cash and cash equivalents at end of the year	48,631	68,214
Cash and cash equivalents comprise the following balance sheet amounts :-		
Fixed Deposits	1,529	324
Cash and bank balances	47,102	67,890
	48,631	68,214

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group Year Ended 31/07/2008 S\$'000	Group Year Ended 31/07/2007 S\$'000	Company Year Ended 31/07/2008 S\$'000	Company Year Ended 31/07/2007 S\$'000
Share capital				
Balance at beginning of year, as previously reported	252,193	250,883	252,193	250,883
Effect of adopting INT FRS111	289	-	289	-
Balance at beginning, as restated	252,482	250,883	252,482	250,883
Issuance of ordinary shares upon exercise of share option	1,229	1,310	1,229	1,310
Transfer from share option reserve	311	289	311	289
Balance at end of year	254,022	252,482	254,022	252,482
Capital reserve				
Balance at beginning of year	7,369	7,369	-	-
Effect of adopting FRS 40	(3,121)	-	-	-
Revaluation of properties	16,768	-	-	-
Deferred taxation on revaluation	(3,757)	-	-	-
Balance at end of year	17,259	7,369	-	-
Merger reserve				
Balance at beginning and end of year	-	-	25,036	25,036
Employee share option reserve				
Balance at beginning of year, as previously reported	2,812	2,363	-	-
Effect of adopting INT FRS111	(289)	-	2,523	2,363
Balance at beginning, as restated	2,523	2,363	2,523	2,363
Cost of share-based payment	308	449	308	449
Transfer to share capital	(311)	(289)	(311)	(289)
Balance at end of year	2,520	2,523	2,520	2,523
Fair value adjustment reserve				
Balance at beginning of year, as previously reported	(15,088)	(15,342)	(15,088)	(15,342)
Prior year adjustment (refer to Note A)	15,271	15,271	15,271	15,271
Balance at beginning, as restated	183	(71)	183	(71)
Net change in the reserve	(311)	254	(311)	254
Balance at end of year	(128)	183	(128)	183
Retained earnings / (Accumulated losses)				
Balance at beginning of year, as previously reported	72,900	60,751	6,669	(1,351)
Prior year adjustment (refer to Note A)	(15,271)	(15,271)	(15,271)	(15,271)
Balance at beginning, as restated	57,629	45,480	(8,602)	(16,622)
Effect of adopting of FRS 40	3,507	-	-	-
Profit for the year	15,953	25,348	7,134	21,219
Payment of dividends	(10,708)	(13,199)	(10,708)	(13,199)
Balance at end of year	66,381	57,629	(12,176)	(8,602)

	Group Year Ended 31/07/2008 S\$'000	Group Year Ended 31/07/2007 S\$'000	Company Year Ended 31/07/2008 S\$'000	Company Year Ended 31/07/2007 S\$'000
Foreign currency translation reserve				
Balance at beginning of year	(31,211)	(29,283)	-	-
Exchange movement arising from translation of:				
share capital, capital reserves and retained earnings/accumulated losses of subsidiary companies	(6,308)	2,778	-	-
long term intercompany loans	(15,127)	(4,706)	-	-
Balance at end of year	(52,646)	(31,211)	-	-
Minority Interests				
Balance at beginning of year	5,514	5,242	-	-
(Loss)/profit for the year	(174)	272	-	-
Balance at end of year	5,340	5,514	-	-

Note A This prior year adjustment relates to impairment loss provided in prior years on investment securities in which was transferred to Fair Value Adjustment Reserve on the adoption of FRS 39 on 1 August 2005. It is now adjusted to retained earnings to reflect that the Group and Company has already recognized the impairment loss in prior years.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

During the year, the Company issued 3,693,039 ordinary shares upon exercise of options granted under the Beyonics Share Option Scheme. As at 31 July 2008, there were unexercised options for 34,048,193 ordinary shares under the Beyonics Share Option Scheme 2000.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been reviewed nor audited.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the same accounting policies and method of computation as in the Group's most recently audited financial statements for the financial year ended 31 July 2007 have been applied.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

FRS 40, Investment Properties

Prior to the adoption of FRS 40, investment properties are accounted for as long-term investments and are carried in the balance sheet at valuation and are revalued every three to five years. The surplus on revaluation is credited directly to capital reserve unless it reverses revaluation decrease relating to the same assets, which was previously recognized as an expense. Any deficit on revaluation is recognized as an expense unless it reverses a previous surplus relating to that asset, in which case it is charged against any related revaluation surplus in respect of that same class of assets. Any balance remaining in the revaluation surplus in respect of an investment property, is transferred directly to accumulated profits on retirement or disposal of the property.

With the adoption of FRS 40, changes in fair values of investment properties will be included in the profit and loss account.

This change in accounting policy has been accounted for prospectively in accordance with the transitional provisions and has resulted in a decrease in capital reserve of S\$3,121,000, an increase in revenue reserve of S\$3,507,000 and an increase in investment properties of S\$386,000 as at 1 August 2007.

INT FRS 111, Group and Treasury Share Transactions

On 1 August 2007, the Group adopted INT FRS 111 Group and Treasury Share Transactions, which is effective 1 March 2007. INT FRS 111 clarifies that where a parent grants rights to its equity instruments to employees of its subsidiary companies and the transaction is accounted for as equity-settled in the consolidated financial statements, the subsidiary company must measure the services received using the requirements for equity-settled transaction and recognise a corresponding increase in equity as contribution from the parent.

In prior years, share option expenses were allocated to subsidiaries based on the employment of the personnel who are entitled to the share options. On the adoption of INT FRS 111, the Company will account for the cost of share based payments issued to employees of the subsidiary companies as investments in subsidiary companies and a corresponding charge to share option reserve. There is no impact on the profit and loss account of the Company.

Under the transitional provisions of INT FRS 111, the change in accounting policy has resulted in the following:

At 1 August 2006, an increase in the Company's investments in subsidiary companies and share option reserve by S\$2,363,000; and

At 31 July 2007 and 1 August 2007, increases in the Company's investments in subsidiary companies by S\$2,812,000, share option reserve by S\$2,523,000 and share capital by S\$289,000.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Year Ended 31/07/2008	Year Ended 31/07/2007
Earnings per ordinary share	2.98 cents	4.80 cents
Diluted earnings per ordinary share	2.98 cents	4.74 cents

Earnings per ordinary share is calculated by dividing the net profit attributable to equity holders by the weighted average number of ordinary shares outstanding during the year.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year

Group	31/07/2008	31/07/2007
Net assets value per ordinary share	53.68 cents	54.35 cents
Company		
Net assets value per ordinary share	50.30 cents	50.56 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Group revenue for the financial year ended 31 July 2008 ("FY08") increased by 62.5% to S\$1.41 billion as compared to the previous financial year ("FY07") of S\$870.6 million mainly due to the new PCBA business from Seagate.

Revenue from the Electronic Manufacturing Services ("EMS") division increased by 77.4% to S\$1.24 billion in FY08 as compared to FY07 mainly due to the new PCBA business.

Revenue from the Precision Engineering Services ("PES") division increased slightly by 2.5% to S\$177.5 million in FY08 as compared to FY07 mainly due to lower demand from our hard disk drive ("HDD") customers in the last quarter of FY08.

Despite higher Group revenue, gross profit for FY08 decreased by 4.9% to S\$53.1 million as compared to FY07 mainly due to higher material costs which impacted existing business, lower contribution margins from the new PCBA business, higher depreciation as a result of acquisition of the Seagate operation in Malaysia and adverse exchange rates.

Selling, General and Administrative expenses increased by 33.5% to S\$36.6 million in FY08 as compared to FY07 mainly due to exchange losses arising from inter-company loans and trade balances.

Finance costs increased by 5.1% to S\$3.5 million mainly due to higher bank borrowings to finance the acquisition of the Seagate operation.

The lower taxation was mainly due to lower profit and write back of overprovision of tax and deferred taxation provided in previous years.

The Group's profit attributable to equity holders of the Company for FY08 decreased by 37.1% to S\$16.0 million.

Basic earnings per share ("EPS") for FY08 decreased to 2.98 cents from 4.80 cents in FY07 mainly due to lower profit for the year.

The higher bank borrowings, stocks, fixed assets, trade debtors and trade creditors as at 31 July 2008 were attributable to the acquisition and commencement of PCBA business from Seagate. Fixed assets were also higher due to revaluation in FY08.

The higher deferred taxation balance in the balance sheet as at 31 July 2008 was due to revaluation surplus of leasehold properties.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

We operate in a highly competitive environment. Our customers are mainly original equipment manufacturers ("OEMs") and suppliers to the OEMs. Our revenue is largely dependent on the demand for our customers' products. In addition, the general economic environment continues to be challenging amidst the current financial turmoil and price volatility in energy, raw materials and foreign exchange rates. In view of this environment, while we expect revenue to grow, profitability may be affected. Barring any unforeseen circumstances, we expect to be profitable in the new financial year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Rate	1.2 cents per ordinary share
Tax Rate	One-tier tax exempt

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Rate	2.0 cents per ordinary share
Tax Rate	One-tier tax exempt

(c) Date payable

The date of dividend payment will be announced at a later date.

(d) Books closure date

Notice on the closure of the Share Transfer Books and Register of Members of the Company to determine shareholders' entitlement to the recommended first and final dividend will be announced later.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

	Precision Engineering		Electronic Manufacturing		Others		Elimination		Consolidation	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
Segment Revenue										
Sales to External Customers	177,547	173,218	1,236,896	697,364	-	-	-	-	1,414,443	870,582
Intersegment Sales	172	59	2,051	1,994	-	-	(2,223)	(2,053)	-	-
Total Revenue	177,719	173,277	1,238,947	699,358	-	-	(2,223)	(2,053)	1,414,443	870,582
Profit Before Interest and Taxation	6,282	10,997	13,802	19,955	(816)	(1,199)	-	-	19,268	29,753
Finance Costs									(3,488)	(3,319)
Profit Before Taxation									15,780	26,434
Taxation									(1)	(814)
Net Profit									15,779	25,620

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Refer to Section 8 above.

15. A breakdown of sales

	Latest Financial Year S\$'000	Previous Financial Year (S\$'000)	Increase / (Decrease) %
Sales reported for first half year	469,282	445,875	5.2
Operating profit after tax before deducting minority interests reported for first half year	7,562	12,122	(37.6)
Sales reported for second half year	945,161	424,707	122.5
Operating profit after tax before deducting minority interests reported for second half year	8,217	13,498	(39.1)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	6,425	10,708
Preference	0	0
Total:	6,425	10,708

BY ORDER OF THE BOARD

Tay Peng Huat
Company Secretary
26/09/08